

Exhibit 5

KLIMIST, MCKNIGHT, SALE, MCCLOW & CANZANO, P.C.

Attorneys at Law

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February 2, 2007

OF COUNSEL

SHELDON L. KLIMIST
LEONARD R. PAGE
ANDREW S. LEVIN

Via Email (jdoyle@pactiv.com) and Overnight Letter

Joseph E. Doyle
Vice President, General Counsel and Secretary
Pactiv Corporation
1900 West Field Court
Lake Forest, IL 60045

Re: *Yolton et al. v. El Paso Tennessee Pipeline Co. and CNH America LLC*
Case No. 02-CV-75164 (E.D. Mich.)

Dear Mr. Faulkner:

I represent the Plaintiffs in the above Class Action involving retiree health care benefits of hourly retirees of Case Corporation (formerly JI Case Company) which is pending in the United States District Court for the Eastern District of Michigan.

I am enclosing a copy of the subpoena I am serving today on The Corporation Company, Pactiv's registered agent in Bingham Farms, Michigan. This letter will provide some background for that subpoena.

In a June 1994 Reorganization, Tenneco Inc. spun Case off as a publicly owned company and began to sell its stock in Case. As part of the Reorganization, Tenneco assumed or retained the obligation to provide health care benefits for Case hourly retirees who retired before (or on or before) July 1, 1994. These are the retirees involved in this lawsuit. Tenneco actually began to provide health care benefits on January 1, 1995. Earlier, the Case Hourly Pension Plan had been merged with the Tenneco Retirement Plan. After the Reorganization, Tenneco began to provide pension benefits for Case hourly retirees who retired before July 1, 1994.

In 1996, the Energy business of Tenneco merged with El Paso Energy and became El Paso Tennessee Pipeline Co. El Paso then assumed responsibility for Case hourly retiree health care benefits. The "new" Tenneco, which was, I believe, the automobile and packaging business of the old Tenneco, then provided (or continued to provide) pension benefits for the Case hourly retirees. The Pactiv Retirement Plan (formerly the Tenneco Retirement Plan) now provides the pension benefits for these employees.

KLIMIST, MCKNIGHT, SALE, McCLOW & CANZANO, P.C.

Attorneys at Law

Joseph E. Doyle

February 2, 2007

Page 2

Early in the litigation, El Paso's attorneys informed me that El Paso had no benefit files for the Case hourly retirees. This surprised me at the time because retirees had provided me with letters from Tenneco addressing pension, life insurance and health insurance benefits, some showing a "cc" to a "Participant File.". I now believe that those files may have stayed with the "new" Tenneco and may now be in the possession of Pactiv or Hewitt, which I understand handles the pension administration for the Pactiv Retirement Plan.

As you may know, I am Plaintiffs' counsel in *Anderson v. Pactiv Retirement Plan and CNH U.S. Pension Plan*. That case involves a supplement allowance pension benefit and is currently on appeal to the Eighth Circuit. Because of my involvement *Anderson*, I informed Tom Piskorski, Pactiv's attorney in that case, that I intended to subpoena Pactiv for the benefit files and other documents relating to Case retiree health care benefits that Pactiv might have retained after the various transactions in the mid-1990's. Michele Hallee of Hewitt called me to convey Mr. Piskorski instruction that I should serve the subpoena on Pactiv's registered agent.

To assist Pactiv in addressing the subpoena, I am enclosing some documents that were sent to Case retirees by Tenneco in 1994 through 1996 that were or may have been placed in Tenneco's "Participant File." I am also enclosing some documents that outline the nature of the various corporate transactions.

I served Hewitt with a subpoena early in the litigation. I did not see any benefit files although I did not complete my review of the files. Lisa Muir handled the document production for Hewitt at that time.

Although I have indicated the location of the document production for the offices of UAW Region 4 in Lincolnshire for Friday, February 23, 2007, I will be glad to inspect the documents at Pactiv's headquarters or at Hewitt or any other convenient location and at another time as long as it in sometime in February or very early March 2007.

Please call me at your earliest convenience so that we can discuss the production. Thank you.

Sincerely,

KLIMIST, MCKNIGHT, SALE,
McCLOW & CANZANO, P.C.

Roger J. McClow

rjm

Enclosures

cc: Thomas Piskorski, Esq. (Email) (w/subpoena only)
Michele Hallee, Esq. (US Mail) (w/subpoena only)
Wayne Hungerford, Region 4 (US Mail) (w/letter only)

AO88 (Rev. 12/06) Subpoena in a Civil Case

Issued by the
UNITED STATES DISTRICT COURT

Northern

DISTRICT OF

Illinois

Gladys Yolton, et al.

V.

El Paso Tennessee Pipeline Co., et al

SUBPOENA IN A CIVIL CASE

Case Number: ¹ 02-CV-75164 (East. Dist. of Mich)

TO: Pactiv Corporation
1900 West Field Court
Lake Forest, IL 60045

YOU ARE COMMANDED to appear in the United States District court at the place, date, and time specified below to testify in the above case.

| | |
|--------------------|---------------|
| PLACE OF TESTIMONY | COURTROOM |
| | DATE AND TIME |

YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

| | |
|---------------------|---------------|
| PLACE OF DEPOSITION | DATE AND TIME |
| | |

YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects):

The documents described in the attached Docuemnt Requests list.

| | | |
|-------|---|--------------------|
| PLACE | UAW Region 4 680 Barclay Blvd., Lincolnshire, IL 60069 | DATE AND TIME |
| | | 2/23/2007 10:00 am |

YOU ARE COMMANDED to permit inspection of the following premises at the date and time specified below.

| | |
|----------|---------------|
| PREMISES | DATE AND TIME |
| | |

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

| | |
|---|----------|
| ISSUING OFFICER'S SIGNATURE AND TITLE (INDICATE IF ATTORNEY FOR PLAINTIFF OR DEFENDANT) | DATE |
|  | 2/1/2007 |

ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER

Roger J. McClow, Attorney for Plaintiffs
400 Galleria Officentre, Suite 117, Southfield, Mich. 48034 (248) 354-9650

(See Rule 45, Federal Rules of Civil Procedure, Subdivisions (c), (d), and (e), on next page)

¹ If action is pending in district other than district of issuance, state district under case number.

DOCUMENT REQUESTS

1. All documents relating to health care benefits for Case Corporation (J.I. Case Company) hourly retirees and surviving spouses.
2. All documents referring or relating to the FAS 106 or its requirements for disclosure of liability for post-retirement welfare benefits with respect to Case Corporation (J.I. Case Company) hourly retirees and surviving spouses for the period January 1, 1992 through the present.
3. All documents containing the names of Case Corporation (J.I. Case Company) hourly retirees and surviving spouses who are or were eligible for or receiving a pension (other than a vested deferred pension), whether living or deceased which discloses any or all of the following information:
 - a. Social security number;
 - b. Address;
 - c. Area code and telephone number;
 - d. Date of birth;
 - e. Marital status;
 - f. Date of death;
 - g. Names of spouse and dependents;
 - h. Seniority date or date of hire;
 - i. Retirement date.
4. All personnel and benefit files for Case Corporation (J.I. Case Company) hourly retirees and surviving spouses, both living and deceased.
5. All documents relating to assignment, retention or assumption of pension and welfare benefit obligations as a result of the spin off, merger, initial public offering, reorganization or divestiture of divisions or subsidiaries of Tenneco, Inc., including but not limited to the farm and construction equipment business (Case), the automotive business (Walker and Monroe), the natural gas transmission and marketing business (Tenneco Energy), the shipbuilding business (Newport News) and the packaging business, for the period 1993 through 2000.

6. All correspondence between Tenneco, Inc. and Case (J.I. Case Company) Hourly retirees and surviving spouses relating to life insurance and/or health care or medical insurance benefits for the period July 1, 1994 through December 1, 1996.

Tenneco Inc

Tenneco Building
P.O. Box 2511
Houston, Texas 77252-2511
(713) 757-2131



August 1994

Dear JI Case Retiree,

As you may have heard, JI Case is no longer a 100% wholly owned division of Tenneco Inc. This partial change in the ownership of Case created a change in the administration of your pension, life insurance and medical benefits. Effective with the Initial Public Offering of Case Stock, Tenneco assumed responsibility for the administration of your retiree benefits.

NO Benefit CHANGES

There is NO change to the basic benefits which you are eligible for. Please note that North Central Health Protection Plan (HMO) has notified us that effective January 1, 1995 they will no longer be able to provide coverage to Case retirees. This is the result of Case no longer being an active employer in the Wausau area. If you are currently covered by the North Central HMO, your participation in this plan will cease as of 12/31/94; you will be covered under the Metropolitan Retiree Medical Plan effective January 1, 1995.

What YOU Need to Do NOW

Decide if you want your future pension payments sent to your home or directly deposited to your bank.

If you want to **begin or continue direct deposit** of your pension check, you and an officer from your bank must complete and return the enclosed form. If you don't complete this form, your pension check will be sent to your home.

Be aware that the annual medical enrollment period for retirees will occur in November.

If you are currently enrolled in the Metropolitan Retiree Medical Plan, the MetLife HMO or the MediMET Drug Program, a new ID Card is enclosed. All other HMO ID Cards remain in effect.

WM00132

Continued on reverse

NEW Retiree Customer Service Unit

To assist you with various benefit matters and questions, Tenneco has opened a Customer Service Unit for Case Retirees. This new unit is now available through a toll free number. See the enclosed "Tenneco Customer Service" insert for a list of the services provided.

If you have any questions not answered by this material, please call the Customer Service Unit at 1-800-697-4573. We are here to assist you and to take care of your future benefit needs.

Sincerely,



Pamela Butler
Manager - Welfare Benefits & Customer Service

This letter and accompanying information is a Summary of Material Modification to the JI Case Pension Plan for hourly-paid employees, as required by law. You should keep this material with your Summary Plan Description booklet until revised booklets are issued.

WM00133

Tenneco Inc

Sent copy 11/10/94

Tenneco Building
P.O. Box 2511
Houston, Texas 77252-2511
(713) 757-2131



Dear Hourly Retiree:

Enclosed please find a 1995 Enrollment Form for the Tenneco/Case Hourly Medical Program. We have listed your current coverage followed by any optional coverages that may be available to you. We have also listed your current life insurance and any dependent information we have on file for you.

- Check the personal information in the upper right-hand corner of the form. *If any of this information is incorrect, print the correction on the form.*
- Print a "DAY-TIME" phone number, including the area code.
- If you wish to **change** your current coverage, checkmark the box for the coverage you want. (Please note: The number following the coverage description is for internal use only.)
If you have an HMO listed on this form as an available option, a package of information will be sent to you by the HMO carrier. If you want to change to the HMO option, you must mark the box on the 1995 Enrollment Form. DO NOT send your enrollment form directly to the HMO.
- Verify that the life insurance coverage on your enrollment form matches your records. *If it does not match, attach a copy of your supporting documentation to the enrollment form indicating your life insurance coverage amount.*
- Print the Social Security Number for each dependent listed.
- For any dependent information listed that is incorrect, print the correction on the form.
- For any eligible dependent that is missing, please list all data requested on the form.

After you have reviewed the form and made any appropriate corrections, sign the form and return it by November 23, 1994 to Hewitt Associates in the enclosed envelope to:

Hewitt Associates
Attention: Tenneco Processing Unit
100 Half Day Road
Lincolnshire, IL 60069-3242

PLEASE NOTE: *If you are the surviving spouse of a deceased retiree, beginning January 1, 1995, you will need to use your Social Security Number on all correspondence and claims filed.*

Thank you for your assistance in helping us verify the information on this form. If you have any questions, please feel free to call your Customer Service Unit at 1-800-697-4573.

Respectfully,

Pamela R. Butler
Manager - Welfare Benefits & Customer Service

CM05444

Tenneco
1275 King Street
Greenwich, Connecticut 06831 2946



November 1996

To: Tenneco Retirees

Re: Tenneco-Sponsored Retiree Medical and Life Insurance Programs

The recently-announced spinoff of Newport News Shipbuilding Company and the merger ("Merger") of Tenneco Energy with a subsidiary of El Paso Energy Corporation, which is El Paso Tennessee Natural Gas ("El Paso-Tennessee"), will affect the healthcare and life insurance plans for many retirees. The responsibility for certain retiree groups will be as described below. We anticipate that these transactions will be completed in December 1996.

RETIREE HEALTHCARE AND LIFE INSURANCE PLANS

The following describes the changes occurring:

- If you retired from Newport News Shipbuilding, your healthcare and life insurance plans will be maintained and financed by Newport News Shipbuilding after the spinoff.
- If you retired from Tenneco Energy, your healthcare and life insurance plans will be maintained and financed by El Paso-Tennessee upon the Merger.
- If you retired from Tenneco Inc, Tenneco Management Company, Tenneco Packaging or Tenneco Automotive (including Walker and Monroe), your healthcare and life insurance plans will not move with El Paso-Tennessee, but will be maintained and financed by the "new" Tenneco Inc after the spin-off.
- If you retired from ***any other former Tenneco Company*** (see the chart on reverse), your healthcare and life insurance plans will be maintained and financed by El Paso-Tennessee upon the Merger.

Future benefit changes: As is presently the case, the company reserves the right to make changes to the plans. This provision will also be present in the plans of the new sponsoring companies. Any plan changes that are made in the future will be communicated to you by the company maintaining and financing your retiree health and life coverages.

BL02909

Over

Tenneco Retirees
November 1996
Page 2.

**Former Tenneco companies with retiree coverages transferring to
El Paso-Tennessee**

Albright & Wilson Americas
J I Case
Channel Industries Gas
Deepsea Ventures
East Tennessee Natural Gas
Martin Exploration
Midwestern Gas Transmission
Operators Inc.
Petro-Tex Chemical Corp.
Philadelphia American Life Ins. Co.

Philadelphia Life Ins. Co.
Sperry Marine
Southwestern Life Ins. Co.
TennEcon Services
Tenneco Chemicals Co.
Tenneco Gas Marketing
Tenneco Gas Pipeline Group
Tenneco Realty Inc.
Tenneco Oil Company
Tenneco West/House of Almonds
Tennessee Gas Pipeline

Any other retiree groups of divested companies not listed above that are receiving healthcare and/or life insurance coverage from Tenneco will also be transferred to El Paso-Tennessee.

ANNUAL BENEFIT ELECTIONS

Newport News Shipbuilding group: Newport News Shipbuilding will conduct your 1997 election. Communications and election materials are being prepared and will be distributed to designated retiree groups. If you have further questions, please contact Newport News Shipbuilding's benefits line at 800-801-1870.

All other retirees: Tenneco will conduct the usual fall election during November. Personalized 1997 Tenneco enrollment materials are being mailed to you. Contact the Benefits Center at 800-444-5578 for answers to your benefit questions.

PENSION BENEFITS

Your pension benefits will not be affected by the divestitures. The pension plans will be "new" Tenneco's responsibility.

If after reviewing this announcement you still have questions, please call the Newport News Shipbuilding benefits line or Tenneco's Benefit Center, as appropriate, for clarification.

Sincerely,

Tenneco Benefits Committee

BL02910

Tenneco Inc

Tenneco Building
P.O. Box 2511
Houston, Texas 77252-2511
(713) 757-2131

Copy I
received
after
my
husbands
death



November 30, 1994

LaVera E. Gerst
16684 195th St
Yarmouth, IA 52660

Dear Mrs. Gerst:

As the surviving spouse of Robert C. Gerst you are entitled to receive a monthly life benefit of \$248.24 from the Tenneco Inc. Retirement Plan.

\$213.84 Retirement Benefit
+ 34.40 Special Medicare Benefit
\$248.24

For purposes of your Federal Income Tax, these monthly payments will be taxable to you as ordinary income in the year received.

This letter should be retained for reference when preparing your income tax return. If assistance is needed in preparing your income tax return, we urge you to see a professional tax advisor.

Sincerely,

Joseph L. Kelly, III
Senior Assistant Secretary
Tenneco Benefits Committee

Enclosures: Form W-4P

Enrollment Form for Direct Deposit of Pension
Payments by Electronic Funds Transfer
Return Envelope

cc: Participant File: 478-18-5903
Case Corp.

CM10694

Tenneco Inc

Tenneco Building
PO. Box 2511
Houston, Texas 77252-2511
(713) 757-2131

Copy



February 7, 1995

Luella Nissila
9208 Carole Ann
Sturtevant, WI 53177

Dear Mrs. Nissila:

We were very sorry to learn of the passing of your husband, Matt, and would like to extend our sympathy to you and your family.

Enclosed is a life insurance claim form to be completed by you (Claimant's Statement area only) as the named beneficiary of your husband's life insurance policy in the amount of \$4,500.00. Please return the claim form and a certified copy of the death certificate in the enclosed envelope to my attention for handling.

Since you will receive a pension from the Retirement Plan, your medical insurance will continue, however it will cancel if you remarry.

Please feel free to call me if I can be of any assistance to you.

Sincerely,

Glenda Guidry

Glenda Guidry
Benefits Analyst
Customer Service Representative
1-800-697-4573

Enclosure

MacCL 2-14-95

CM08654

Tenneco Inc

Tenneco Building
P.O. Box 2511
Houston, Texas 77252-2511
(713) 757-2131



February 8, 1995

Lavon J. Carter
2325 West 57th St.
Davenport, IA 52806

Dear Mrs. Carter:

We were very sorry to learn of the passing of your husband, Wayne, and would like to extend our sympathy to you and your family.

Enclosed is a life insurance claim form to be completed by you (Claimant's Statement area only) as the named beneficiary of your husband's life insurance policy in the amount of \$10,500.00. Please return the claim form and a certified copy of the death certificate in the enclosed envelope to my attention for handling.

Since you will receive a pension from the Retirement Plan, your medical insurance will continue, however if you remarry it will cancel.

Please feel free to call me if I can be of any assistance to you.

Sincerely,

Glenda Guidry

Glenda Guidry
Benefits Analyst
Customer Service Representative
1-800-697-4573

Enclosure

CM 02027

Tenneco Inc

Tenneco Building
PO Box 2511
Houston, Texas 77252-2511
(713) 757-2131

Copy



February 28, 1995

Luella M. Nissila
9208 Carol Ann Drive
Sturtevant, WI 53177

Dear Mrs. Nissila:

As the surviving spouse of Matt A. Nissila you are entitled to receive a monthly life benefit of \$263.76 from the Tenneco Inc. Retirement Plan.

\$229.36 Retirement Benefit
+ 34.40 Special Medicare Benefit
\$263.76

For purposes of your Federal Income Tax, these monthly payments will be taxable to you as ordinary income in the year received.

This letter should be retained for reference when preparing your income tax return. If assistance is needed in preparing your income tax return, we urge you to see a professional tax advisor.

Sincerely,

Joseph L. Kelly, III
Senior Assistant Secretary
Tenneco Benefits Committee

Enclosures: Form W-4P

Enrollment Form for Direct Deposit of Pension
Payments by Electronic Funds Transfer
Return Envelope

cc: Participant File: 398-14-1080
Case Corp.

CM08656

Tenneco Inc

Tenneco Building
P.O. Box 2511
Houston, Texas 77252-2511
(713) 757-2131



November 9, 1995

Sent 11/14/95
registered mail

Phyllis M. Johnson
310 11th Street
Silvis, IL 61282

Dear Mrs. Johnson:

We were very sorry to learn of the passing of your husband, Lenard, and would like to extend our sympathy to you and your family.

Enclosed is a life insurance claim form to be completed by you (**Claimant's Statement area only**) as the named beneficiary of your husband's insurance policy in the amount of \$4,500.00. Please return the claim form and a certified copy of the death certificate in the enclosed envelope to my attention for handling.

Since you will receive a pension from the Retirement Plan, you will retain your medical insurance, however it will cancel if you remarry.

Please feel free to call me if I can be of any assistance to you.

Sincerely,

Glenda Guidry

Glenda Guidry
Benefits Analyst
Customer Service Representative
1-800-697-4573

Enclosure

CM10926

Tenneco
1010 Milam Street
PO Box 2511
Houston, Texas 77252 2511
Tel 713 757 2131

TENNECO

February 8, 1996

Mrs. Judith Ann Bernier
100 West upper St. Lot 42
Cambridge, IL 61238

Dear Mrs. Bernier:

We were very sorry to learn of the passing of your husband, Stephen, and would like to extend our sympathy to you and your family.

Enclosed is a life insurance claim form to be completed by you (**Claimant's Statement area only**) as the named beneficiary of your husband's life insurance policy in the amount of \$10,500.00. Please return the claim form and a certified copy of the death certificate in the enclosed envelope to my attention for handling.

Since you will receive a pension from the Retirement Plan, your medical insurance will continue; however it will cancel if you remarry.

Please feel free to call me if I can be of any assistance to you.

Sincerely,

Glenda Guidry

Glenda Guidry
Benefits Analyst
Customer Service Representative
1-800-697-4573

Enclosure

Claim form returned 2/14/96

CM10406

Tenneco
1010 Milam Street
PO Box 2511
Houston, Texas 77252 2511
Tel 713 757 2131



April 15, 1996

Mrs. Dolores Kondraschow
5840 Virginia Ave
Willowbrook, IL 60514

Dear Mrs. Kondraschow:

We were very sorry to learn of the passing of your husband, Alex, and would like to extend our sympathy to you and your family.

Enclosed is a life insurance claim form to be completed by you (Claimant's Statement area only) as the named beneficiary of your husband's life insurance policy in the amount of \$4,500.00. Please return the claim form and a certified copy of the death certificate in the enclosed envelope to my attention for handling.

Since you will receive a pension from the Retirement Plan, your medical insurance will continue, however it will cancel if you remarry.

Please feel free to call me if I can be of any assistance to you.

Sincerely,

A handwritten signature in cursive script that reads "Georgia York".

Georgia York
Benefits Analyst
Customer Service Representative
1-800-697-4573

mailed back 4-23-1996
ask about new ⁷⁰ cards

CM09981

Tenneco
1010 Milam Street
PO Box 2511
Houston, Texas 77252 2511
Tel 713 757 2131

TENNECO

April 30, 1996

Mrs. Elisabeth Rudminat
1819 S 11th Ave
Eldridge, IA 52748

Dear Mrs. Rudminat:

We were very sorry to learn of the passing of your husband, Ernst, and would like to extend our sympathy to you and your family.

Enclosed is a life insurance claim form to be completed by you (Claimant's Statement area only) as the named beneficiary of your husband's life insurance policy in the amount of \$4,500.00. Please return the claim form and a certified copy of the death certificate in the enclosed envelope to my attention for handling.

X Since you will receive a pension from the Retirement Plan, your medical insurance will continue, however it will cancel if you remarry.

Please feel free to call me if I can be of any assistance to you.

Sincerely,

Georgia York

Georgia York
Benefits Analyst
Customer Service Representative
1-800-697-4573

2585959

CM 02807

April 16, 1996

TENNECO BENEFIT PLANS

Assumption:

Tenneco Inc. (after a spin-off of its shipbuilding and automotive and packaging businesses) will be merged with a wholly-owned subsidiary of the acquiror in a tax-free reorganization.

Tenneco Inc. Retirement Plan (TRP):

- All vested accrued benefits for Tenneco employees will be frozen as of the date of the reorganization and paid by the TRP pursuant to plan provisions. The combined automotive and packaging businesses will succeed to sponsorship of the TRP, and the TRP's liabilities and attendant assets will go with those businesses.

Tenneco Retiree Medical Plan:

- Tenneco Inc. will continue to be responsible for retiree medical costs for all former employees of Tenneco Inc. and its subsidiaries (other than former employees of its shipbuilding and automotive and packaging businesses) which includes retirees of Tenneco Energy and Tenneco's discontinued operations. The Accumulated Benefit Obligation is currently approximately \$326 million and the annual benefit payments are approximately \$43 million. The acquiror will commit to continue retiree medical coverage for at least 10 years following the reorganization.

Tenneco Inc. Thrift Plan:

- The account balances of all Tenneco employees are fully vested and the acquiror will commit to a plan-to-plan transfer of these balances upon the reorganization to an existing or newly created 401(k) plan of the acquiror.

Tenneco Health and Welfare Plans:

- For all other Tenneco Health and Welfare plans, Tenneco and the acquiror will arrange for transitional coverage and administration, at the acquiror's expense, for a reasonable period following the reorganization.

EMPLOYEE STOCK OPTIONS:

- Prior to the reorganization, Tenneco will cause all employee held stock options to be exercisable and any options not exercised prior to the reorganization shall terminate upon the reorganization.

X V C**Severance Benefits****EICP Employees**

51 high-level Tenneco Energy employees are covered by Tenneco's Executive Incentive Compensation Program (EICP). The non-ERISA severance program for EICP employees is based on position. Under the program, severance benefits generally range from 12 months of base pay to 24 months of base pay on the following formula:

| Level | Months of Pay |
|-------------|---------------|
| 1 | 12 |
| 2 | 18 |
| 3 and above | 24 |

In addition, if the employee is enrolled in medical or dental plans when separated, the company provides health care coverage on an optional basis with the costs shared by the employee being the same as for similarly situated active employees for a period equal to the months of pay received as severance, up to 12 months. At the end of such period, the employee is entitled to COBRA coverage and the applicable COBRA coverage period is not reduced by the period of the optional continued coverage.

The purchaser will be obligated to maintain these severance benefits for at least 1 year from closing.

CONFIDENTIAL**EP 002574**

Severance Benefits

Non-EICP Employees

3218 Tenneco Energy employees are covered by a non-ERISA severance program based on three factors: 1) years of service; 2) age; and 3) position. Under the program, severance benefits range from 6 weeks to 52 weeks of base pay based on the following formula:

- (A) 2 weeks base pay per year or partial year of service, plus
- (B) a number of weeks of base pay according to employee age at termination
 - 40 to 44 (4)
 - 45 to 49 (6)
 - 50 to 54 (8)
 - 55 to 59 (10)
 - 60 + (12), plus
- (C) a number of weeks of base pay according to position level
 - Grade 09 (1) 15 (7)
 - 10 (2) 16 (8)
 - 11 (3) 17 (9)
 - 12 (4) 18 (10)
 - 13 (5)
 - 14 (6)

In addition, if the employee is enrolled in medical or dental plans when separated, the company provides health care coverage on an optional basis with the costs shared by the employee being the same as for similarly situated active employees for a period equal to the months of pay received as severance, up to 12 months. At the end of such period, the employee is entitled to COBRA coverage and the applicable COBRA coverage period is not reduced by the period of the optional continued coverage.

The purchaser will be obligated to maintain these severance benefits for at least 1 year from closing.

Tenneco Energy Executive Retention Program

To insure that certain Tenneco Energy employees continue to devote appropriate time and effort toward managing the enterprise, the Company has implemented an Executive Retention Program. Under the Program, cash awards are provided to "Key Employees" who are instrumental in the operation and who continue with Tenneco during this critical transition.

The retention payments are to be paid to designated Key Employees only if all of the following conditions are met:

- The acquisition by a third party of Tenneco Energy by a merger or otherwise (collectively a "Sale") occur no later than March 31, 1997.
- The Key Employee remain a full-time, active employee of Tenneco Energy on the date of the Sale.
- The Key Employee cooperates fully with Tenneco Inc. in the efforts to sell Tenneco Energy and complies with all terms and conditions of employment required of all full-time employees.

The retention payments will be payable within 30 days following the completion of the sale and upon execution of releases.

For purposes of the Executive Retention Program, Tenneco Energy means Tenneco Inc. and its direct and indirect subsidiaries remaining after the spinoffs or other dispositions of the automotive, packaging and shipbuilding businesses of Tenneco Inc. as currently contemplated by the management of Tenneco Inc.

The cost of the Executive Retention Program is approximately \$9 million and will be the obligation of Tenneco Inc. (to be paid after it has been acquired by a successful bidder).

CONFIDENTIAL

EP 002576